

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: June 4, 2010]²

Bill No. and sponsor: S. 2368 (Mr. George Voinovich of Ohio et al.).

Proponent name,³ location: Lubrizol Advanced Materials, Inc., Cleveland, OH.

Other bills on product (111th Congress only): S. 2365.

Nature of bill: Extension of temporary duty suspension through December 31, 2011.⁴

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):


2-Oxepanone, polymer with aziridine and tetrahydro-2H-pyran-2-one, dodecanoate ester (CAS No. 202263-77-2) (provided for in subheading 3824.90.92).

Check one: ☐ Same as that in bill as introduced.
☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a mixture of a polymer acid salt and a polymer amide. It is used to disperse certain pigments in solvents that are used in making UV-cured coatings. The product is imported from the United Kingdom.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3824.90.92:

	2010	2011	2012	2013	2014
					
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports ^a	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Customs revenue loss ^b	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

^{a/} Dutiable import estimates were based on official U.S. Government statistics and Commission estimates.

^{b/} At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: Dave Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Heading 9902.03.24 provided a temporary duty suspension for the subject product that expired on December 31, 2009.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Lubrizol Advanced Materials, Inc. (Proponent) Mike Gill, Mgill@crowell.com	01/28/2010	No	No	No
Arkema Brian Sowa, Brian@strategicmi.com	02/16/2010	No	No	No
BASF Greg Thies, gregory.thies@basf.com Michelle Forte, michelle.forte@basf.com	02/16/2010	No	No	No
Bayer Corp. Karen Niedermeyer, karen.niedermeyer.b@bayer.com	02/24/2010	No	No	No
Chemtura Matt Mattingley, matt@mattingleygroup.com	02/16/2010	No	No	No
CIBA Corporation Michelle Forte, Michelle.forte@cibasc.com	02/24/2010	No	No	No
Clariant Corporation Andrew Zamoyski, az@azamoyski.com	02/16/2010	No	No	No
Dow Max Turnipseed, mctint@att.net	02/16/2010	No	No	No
Dupont Brian Curtis, brian.curtis@usa.dupont.com Elaine Olsen, elaine.m.olsen@usa.dupont.com	02/16/2010	No	No	No
Evonik Russell B. Mait, russell.mait@evonik.com	02/16/2010	No	No	No
FMC Corp. Jerry Prout, jerry_prout@fmc.com	02/24/2010	No	No	No
Huntsman International John Deming, johndeming@aol.com	02/24/2010	No	No	No
IFF John Helm, john.helm@iff.com	02/24/2010	No	No	No
LANXESS Jamie Schaeffer, Jamie.Schaeffer@Lanxess.com	02/24/2010	No	No	No
3M Megan Ivory Carr, mmivory@mmm.com	02/16/2010	No	No	No
Solutia Robert Hurley, Rhurley@TheAccordGroup.com	02/16/2010	No	No	No
Syngenta Mike Blythe, mike.blythe@syngenta.com	02/24/2010	No	No	No

Technical comments:⁵

The Commission staff notes that the subject product was eligible for a temporary duty suspension under HTS heading 9902.03.24, which expired on December 31, 2009. The Commission staff suggests that, rather than enacting a new duty suspension, heading 9902.03.24 be used to extend the duty suspension by modifying the date in the effective period column of heading 9902.03.24. In addition, the Commission staff suggests that the article description of HTS heading 9902.03.24 be amended to include the CAS number for the subject product, as shown on page 1 of this report.

The Commission staff notes that S. 2365 and S. 2368 would each temporarily suspend the duty on the same product. Only one bill needs to be enacted. The Commission staff also notes that, in the rate of duty column in the proposed heading, “0%” should be deleted and the word “Free” should be inserted in lieu thereof.

⁵ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

111TH CONGRESS
1ST SESSION

S. 2368

To suspend temporarily the duty on 40% Polymer acid salt/polymer amide
60% Butyl acetate.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. VOINOVICH (for himself and Mr. BROWN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on 40% Polymer acid salt/
polymer amide 60% Butyl acetate.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 40% POLYMER ACID SALT/POLYMER AMIDE 60%**

4 **BUTYL ACETATE.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.01.00	40% Polymer acid salt/poly- mer amide 60% Butyl acetate (provided for in subheading 3208.90.00)	0%	No change	No change	On or before 12/31/2011	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

